



ALFRED NZO

DISTRICT MUNICIPALITY

TERMS OF REFERENCE

INTERNAL AUDIT RISK-BASED: ENVIRONMENTAL AND CLIMATE CHANGE MANAGEMENT PROCESSES AUDIT 2023/24 FINANCIAL YEAR

Issued and Prepared by:

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1. BACKGROUND AND OVERVIEW OF THE PROJECT

Global Risk Perception Survey (GRPS) respondents identify "climate action failure" as the top long-term threat to the planet and the risk that could have the most serious effects over the following ten years. Droughts, fires, floods, shortages of resources, and the extinction of species are just a few of the repercussions of climate change that are already being seen. Cities all across the world witnessed severe temperatures in 2020, including a record high of 42.7°C in Madrid and a 72-year low of -19°C in Dallas. Areas like the Arctic Circle also had summertime temperatures that were 10°C higher on average.

Over 80 notable hydro-meteorological "weather related" disasters were recorded in SA over the past 40 years. Significant evidence from throughout the world demonstrates that the frequency and severity of these extreme weather events have grown. There is also compelling evidence that similar trends in SA, particularly weather-related disasters like heat waves, floods, droughts, wildfires, and storm surges, would be amplified in the future by the anticipated climate scenarios.

Alfred Nzo District Municipality also identified Climate Change as risk that warrant Council and Senior Management attention. Therefore, Internal Audit Risk Based Coverage Plan also prioritized internal audit of Environmental process, focusing on Climate Change process.

1.1 INTRODUCTION

Section 165 of the MFMA requires that each municipality and each municipal entity must have an internal audit unit. The internal audit unit of a municipality or municipal entity must:

Prepare a risk based audit plan and an internal audit program for each financial year; Advise the accounting officer and report to the audit committee on the implementation of the internal audit plan and matters relating to:

- Internal audit;
- Internal controls;
- Accounting procedures and practices;
- Risk and risk management;
- Performance management;
- Loss control;
- Compliance with this Act, the annual Division of Revenue Act and any other applicable legislation; and
- Perform any such other duties as may be assigned to it by the accounting officer.

1.2 OVERALL AND SPECIFIC OBJECTIVES OF THE PROJECT

1.2.1 Overall objective

The purpose and primary objective of this project is to test the extent of implementation of Environmental Management Measures in relation to Climate Change

1.2.2 Specific Objectives

The Risk Based Internal Audit processes will focus on the following:

- Evaluation of the extent of management risks relating to climate change
- Evaluate extent of adherence to Environmental laws and regulation with Climate Change
- Assess the extent of alignment of Alfred Nzo District Municipality Climate Change policy and procedures with national strategies in respect Climate Change.
- Raised observations, along with recommendations,
- Confirm Accuracy of the raised observation with the relevant managers

- Analyze and evaluate submitted management responses
- Prepare draft internal audit report with management responses
- Table draft internal audit report to the Chief Audit Executive, and discuss key observations
- Prepare final report for tabling to management and audit committee respectively.

2. SCOPE & EXTENT OF WORK

The scope of this audit assignment shall be to:

1. Examine compliance of the Alfred Nzo District Municipality with environmental laws of the republic of South Africa,
2. Test adequacy of Alfred Nzo District Municipality Climate Change Strategy against national norms, standards and regulations,
3. Test implementation of the Climate Change Strategy during 2022/23 financial year; and
4. Provide assurance on internal controls relating to compliance with Environmental Laws and Regulations by ANDM during 2022/23 financial year .

Further, the service provider will assess management responses in terms of risks raised on the Alfred Nzo Development Agency (ANDA) Risk Register relating to Climate Change.

NB: NO COMPULSORY BRIEFING FOR THIS QUOTATION REQUEST.

3. PROJECT TIME FRAME

The project time-frame will be a month from the date of appointment of the service provider.

4. . KEY OUTPUTS/PROJECT MILESTONES/DELIVERABLES

- Working papers with conclusions
- Informal audit queries
- Raised audit observations, along with recommendations, through communication of audit findings

Prepare final report for tabling to management and Audit and Performance Committee respectively.

Transfer of skills

5. STAKEHOLDERS CONSULTATION

6. PROJECT MANAGEMENT

Chief Audit Executive will interact directly with the appointed service provider with regard to the entire project.

7. REPORTING MECHANISM

The progress reports will be submitted to Chief Audit Executive of Alfred Nzo District Municipality on weekly basis. The Project Manager has the right to change the frequency of reporting as and when necessary.

8. SUBMISSION OF BIDS

Quotations must be placed in a sealed envelope and clearly marked: **“Internal Audit Risk-Based: Environmental and Climate Change Management Processes Audit 2022-23”**, placed in the bid box in the Alfred Nzo District Municipality not later than 10H00 on the _____.

9. CAPACITY TO EXECUTE THE WORK

EVALUATION CRITERIA

Evaluation criteria of the quotation;

The quotation will be evaluated in two stages, namely:

- Stage 1- Capacity to Execute Work
- Stage 2- Price and Specific Goal

Only Bidders who score 70% or more on stage 1 would be evaluated further and therefore eligible for the award

ITEM	Scoring
STAGE 1 OF EVALUATION – CAPACITY TO EXECUTE THE WORK	100
• Previous Experience	50
• Capacity and Expertise	50
Total Scoring	100

Price and Preference

Quotations will be evaluated according to the 80/20 Point System in compliance with Preferential Procurement Policy Act (5/2000) and Preferential Procurement Regulations 2022.

Preferential Procurement Goals	Proof to be Attached to Claim full Points	Points
Price	N/A	80
Specific Goal		20
Bidders will score Specific Goals as follows		
Empowerment of Women	Attach ID Certified Copies of Directors Claiming Specific Goals; for Bidders to obtain full points the percentage of equity held must be 51% or more	6

Youth	Attach ID Certified Copies of Directors Claiming Specific Goals; for Bidders to obtain full points the percentage of equity held must be 51% or more	4
Disabled	Attach a Signed Letter from Health Practitioner	5
Black Owned Companies	Attach CK and ID Certified Copies of Directors Claiming Specific Goals; for Bidders to obtain full points the percentage of equity held must be 51% or more	5
Total Scoring		100
Previous Company Experience		Scoring
Traceable record for successful completion of internal audit service projects in 4 or more municipalities or government entities, to the minimum value of R100 000.00 per project.		50
Traceable record for successful completion of internal audit service projects in 3 or more municipalities or government entities, to the minimum value of R100 000.00 per project.		40
Traceable record for successful completion of internal audit service projects in 2 or more municipalities or government entities, to the minimum value of R100 000.00 per project.		35
Traceable record for successful completion of internal audit service projects in 1 or more municipalities or government entities, to the minimum value of R100 000.00 per project.		25
Total Scoring		50
<p>Note COMPULSORY attachments for verifying work done:</p> <ol style="list-style-type: none"> 1. The ANDM Assessment of Bidder Form must be completed, stamped and signed by previous employer as a means of verifying references for each project undertaken. If 4 Projects were done, 4 Assessment of bidder forms must be completed. 2. In ADDITION to the above, a traceable record will be evaluated on the 		

basis of: -An Appointment Letter/ purchase Order	
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Capacity and Expertise to Undertake the Project Note: The scoring in this section is preferably cumulative, unless justifiable to the Specification Committee	Scoring [50]
A Project Team with the following areas of expertise:	
The Team Leader of the project must have NQF Level 8 Qualification in any of the following Auditing/ Internal Auditing/ Accounting and be a member of IIA or CA (SA) or ACCA Certified with 7 years of experience.	30
Team member with NQF Level 7 Qualification in Accounting, Auditing/ Internal Audit or equivalent, with 5 years of experience	20
Total Scoring [30+20] NB: Attach CV and certified copies not older than 3 months for all qualifications	[50]

For any queries regarding this tender, please contact Mr S Nelani – Chief Audit Executive for project related queries; and for Supply Chain Management contact Mr V. Cita on (039) 254 5134 during office hours.

Alfred Nzo district Municipality

Erf 1400 Ntsizwa Street

Mount Ayliff

4735

Yours in municipal administration,



Mr. M. Vakalisa
IDP and PMS Manager

Approved/Not Approved



Mr. L. Mdutyana
BSC CHAIRPERSON

Comments by Chairperson:

Environmental Management and Climate Change Management 2023-24
